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RUEHBR/AMEMBASSY BRASILIA PRIORITY 5705
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1400
RUEHLP/AMEMBASSY LA PAZ PRIORITY 2265
RUEHPE/AMEMBASSY LIMA PRIORITY 0510
RUEHMU/AMEMBASSY MANAGUA PRIORITY 1409
RUEHME/AMEMBASSY MEXICO PRIORITY 3955
RUEHQT/AMEMBASSY QUITO PRIORITY 2350
RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 0976
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 3706
RUEHAO/AMCONSUL CURACAO PRIORITY 0954
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 0592
RUEHBS/USEU BRUSSELS PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0437
RHEHNSC/NSC WASHDC PRIORITY
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RUEHUB/USINT HAVANA PRIORITY 0922
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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 002393

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TAGS: [PGOV](#) [KDEM](#) [VE](#)

SUBJECT: CHAVEZ RETURNS, RESHUFFLES HIGH-LEVEL BRV POSTS

REF: A. CARACAS 002348

[1](#)B. CARACAS 000532

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Classified By: POLITICAL COUNSELOR ROBERT RICHARD DOWNES FOR REASON 1.4
(D)

SUMMARY

[1](#)1. (C) President Chavez's return from his most recent world tour sparked a series of shifts in the BRV leadership. Several high-level officials have been moved, resigned, threatened to resign, or been replaced. Along with Nicolas Maduro's appointment as Foreign Minister (ref a), Chavez announced on August 8 the appointment of Jose "Chino" Khan, a National Assembly (AN) Deputy, as Minister of Basic Industries and Mines. These moves suggest a further radicalization of BRV policy, favor those thought to be close to Vice President Rangel, and weaken the so-far inept but 100 percent government controlled National Assembly. There were a number of other changes, notably presidential brother Adan Chavez's return from Cuba to assume the position of Minister of the Secretariat of the Presidency, replacing Delcy Rodriguez, who some say will replace Adan. Chavez's actions since returning from his world tour suggest he is refocusing at least some of his attention on domestic matters in the run-up to the December election. End Summary.

AN DEPUTY MOVING UP

[1](#)2. (C) Along with his appointment of National Assembly President Nicolas Maduro as Foreign Minister, Chavez announced during a televised address on August 8 that Jose

"Chino" Khan, coordinator of the Fifth Republic Movement's (MVR) bloc in congress, would assume the role of Minister of Basic Industries and Mines. Khan replaces Victor Alvarez, who Chavez said left the post due to health reasons. Khan is a two-time National Assembly Deputy and is considered to be a member of Maduro and Jose Vicente Rangel's camp. Khan in May accompanied Chavez on his European tour. Former AN Deputy Pedro Diaz Blum, who worked with Khan during his congressional tenure, told Emboff on August 9 that Khan is a hard worker and that, while not well known, is in Chavez's confidence. Diaz also said that Khan is a member and supporter of the defunct Boston Group.

MORE AN VACANCIES TO COME?

13. (C) There is also speculation in press that two more deputies could be assuming Cabinet positions. Jose Albornoz, Secretary General of the pro-government Patria Para Todos

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(PPT) party, is rumored to be a potential replacement for Vice President Jose Vicente Rangel. While there have been rumors of his departure for months, however, it is not clear at all that Rangel is likely or intending to leave. Albornoz has long-served in an unofficial cabinet role, including sitting in on cabinet meetings and advising Chavez on a variety of issues. He is also currently leading the National Assembly witchhunt investigating Sumate's financing of the canceled opposition primary.

14. (C) Deputy Francisco Ameliach is apparently in the running for Jesse Chacon's job as Interior and Justice Minister. Chacon appears to be falling out of favor with the BRV. During his weekly Alo Presidente address, broadcast from a ranch in Bolivar State, Chavez on August 6 vented his

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frustration with various federal and state-level officials for their lack of progress on combating crime, focusing his attack on Chacon, head of CICPC Marcos Chavez, and DISIP Director General Henry Rangel Silva, thereby focusing the blame for policy failures on anyone but himself. Chavez told them to submit their resignations if they do not feel capable of addressing the crime issue and claimed that "we cannot allow peasant leaders to be killed, massacred." Ameliach was the NA president before being replaced by Maduro and is considered one of Chavez's strongest supporters in the Assembly. Former Venezuelan Ambassador to Mexico Vladimir Villegas told Poloffs on August 9 that the movement of several key AN figures could portend a call for new legislative elections, intended to revalidate and re-legitimate the completely pro-Chavez Assembly.

ADAN COMES HOME

15. (C) Chavez's brother, Adan Chavez, has returned to Caracas to replace Delcy Rodriguez as Minister of the Secretariat of the Presidency after his tenure as Ambassador

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to Cuba. Press sources indicate that Rodriguez's departure was due to her "differences" with Chavez during his recent international travel. It is unclear whether she will be appointed to another government role, although the Caracas rumor mills has it that either she or Ali Rodriguez might replace Adan in Havana. While the Minister of the Secretariat of Presidency is vaguely defined--Chavez said

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when he created the position in February that it is designed to "look for higher efficiency levels in the government"--it will increase Adan's profile in the BRV.

CARNEIRO ON HIS WAY OUT, THEN BACK IN

¶16. (C) Significant uncertainty also surrounds Social Development and People's Participation Minister Jorge Luis Carneiro's recent quasi-resignation. Carneiro initially resigned as announced in order to facilitate an investigation into military procurement activities during his tenure as Defense Minister, and his statement came on the heels of a communique issued August 5 that said he placed his post at the disposal of the Chavez government and would help the "national government's efforts to combat corruption." The attorney general's office--at Chacon's behest--is in the process of investigating the purchase of 1,016 motorcycles by the then-National Guard Commander Miguel Ramirez. On August 8, Carneiro announced with glee, however, that he had received a phone call from Chavez refusing his resignation and that he will remain in his current position. Carneiro actively supported Chavez during the April 2002 inter-regnum.

HOUSING MINISTER CALLS IT QUILTS

¶17. (C) Housing Minister Luis Figueroa resigned in June after ten months on the job amidst criticism of his inability to reach the BRV's ambitious housing goals. Press reporting indicates that in 2006, the Housing and Habitat Ministry planned to construct some 150,000 houses, but by the end of the year's first semester had only built 35,500 units. The lack of viable housing and the BRV and state-level governments' apparent inability to address such needs have sparked small but frequent protests around the country and in the capital. Figueroa's replacement, Chavez's third Housing Minister since he created the Ministry in September 2004, is

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part of a recurrent BRV strategy to appear to be tackling the problem and meet constituents' demands. Figueroa was replaced by Ramon Carrizalez Rengifo, who had previously served as Infrastructure Minister. Carrizalez in turn was replaced by Jose Cabello Rondon, former director of the Maiquetia International Airport Autonomous Institute and president of state airline Conviasa. Miranda State Governor Diosdado Cabello is Cabello Rondon's brother.

Comment

¶18. (C) Chavez has returned home from his whirlwind world tour and is refocusing at least some of his attention on domestic matters in the run-up to the December election. This is not the first high-level shake up this year (ref b), and it will probably not be the last. Shifting cabinet-level posts is a tried-and-true strategy Chavez to clean house and demonstrate to voters that he is combating problems even in his own government prior to elections. It also fits a pattern by Chavez of shifting blame to others for his government's policy failures. Recent and prospective replacements with radical Chavez allies also suggest Chavez is serious about continuing to implement his revolution at home and abroad. The appointment of Nicolas Maduro as Foreign Minister (ref a) denotes a further radicalization of his foreign policy, and some of these changes, including Maduro and Khan, also appear to benefit those thought to have ties to Vice President Rangel. The potential movement of several key AN figures will no doubt have some implication on the Assembly process and could be an early sign of the BRV's intention to move forward with rumored new legislative elections at a later date. The decision to pull Adan out of Cuba is curious given current events on the island, but bringing him back to Caracas to work side-by-side with Chavez

might be a sign of even greater attention paid to BRV
relations with Havana.

WHITAKER